

Beginning Self-Direction

An informational guide for employers as they consider Self-Direction with Employer Authority

Our mission: Facilitating freedom, choice, and opportunity through innovative fiscal agent solutions







Welcome to Acumen

Dear Participant, Parent, or Authorized Representative,

Welcome to Acumen Fiscal Agent and congratulations on considering enrolling in self-direction with Employer Authority! We are excited to be your fiscal agent and look forward to working with you and your employees.

We understand that self-direction with Employer Authority and becoming an Employer of Record may be a new and confusing concept. We have created the "Beginning Self-Direction Guide" to provide you with a brief overview of this model of service. We know this guide will not answer all the questions you may have, however, Acumen will be beside you to answer questions and assist you during your journey with self-direction.

Once you choose to self-direct, we will send you another more comprehensive guide developed by our team, "The Employer Guide for Success". This guide has been developed as a reference tool for employers to keep handy as a new employer. It was designed specifically to assist the new employer in understanding their role as the employer in a self-directed program.

At Acumen we value the partnership and collaboration we have with all of the people we serve. It is our promise to serve you with the highest level of quality possible.

We look forward to working with you and hope you choose to self-direct your supports and services with Acumen as your Fiscal Agent (Financial Management Service.)

Sincerely, The Acumen Team

Terminology

New To Financial Management Services?

If you're new to Financial Management Services, it's helpful to understand the terminology in our industry.

Important Note: Self-directed services means that participants, or their representatives if applicable, have decision-making authority over certain services and take direct responsibility to manage their services with the assistance of a system of available supports. You in the following descriptions is inclusive and refers to the participant and/or designated representatives.

Terminology Defined

Acumen:

The fiscal agent that helps you manage employer-related financial and other responsibilities pertaining to your self-directed services. Acumen is not the employer.

Authorization/Budget:

Documentation that specifies approved services, service codes, and number of units, hours, or dollars for delivery of goods and services included in the Plan of Care.

Family Support Coordinator:

Person assigned by the program to work with you and facilitate details of your self-directed program.

Direct Care Provider/Employee:

Direct care employees are the people who work for you and provides services to the participant.

Employer of Record:

Person who hires and supervises staff to provide services to the participant. The employer may also be the participant. Acumen assists enrolling this person with the IRS and the Department of Labor as the Employer. This person will receive an Employer Identification Number (EIN). Acumen is NOT the employer or a co-employer. Please note: The Employer of Record cannot also be the paid caregiver.

Employer Authority:

This means the participant/employer has authority to recruit, hire, supervise, and direct individual workers who provides services to them.

Terminology Cont...

EVV:

Electronic Visit Verification is used to track the time (as required by law) a caregiver spends caring for a participant

Fiscal Agent/Fiscal Intermediary/Fiscal Management:

(Acumen) provides payroll processing, tax services, vendor payments, and other administrative functions authorized by the funding program. We pay workers and vendors on your behalf.

Participant:

Person receiving services authorized by the funding program. The participant may also be the employer.

Payment/Payroll Services:

Employee-related payments and processing.

Family 360 Program:

The South Dakota waiver program that the Participant is in enrolled in.

Individual Service Plan (ISP):

Plan you create with your case manager/support coordinator to determine the participant's goals and how to meet them, based on the participant's preferences, choices, and abilities. It empowers the participant in directing their services. It includes the number, type, and duration of approved goods and services.

Program Administrator Or Funding Source:

The South Dakota Department of Human Services (DHS).

Introduction—What is a Fiscal Agent, Why do I need one and Who is Acumen?

What is a Fiscal Agent?

A "fiscal agent," sometimes called a "fiscal intermediary, or financial management service" is recognized by the Internal Revenue Service (IRS) as an *employer agent*. An authorized employer agent has the ability to act on your behalf to fulfill the financial management responsibilities you have as an employer. These financial management tasks require the use of sophisticated software and a current knowledge of federal, state, local tax and payroll standards. In South Dakota, the *employer agent* is often referred to as a Financial Management Services (FMS) agency.

Why Do I Need a Fiscal Agent?

Self-Direction with Employer Authority model of services provides many freedom of choices but requires that an authorized fiscal agent be assigned to assist with many of the employer tasks and responsibilities. The fiscal agent will fulfill all standard employer-related duties such as processing payroll, calculating all relevant withholding and filing employee taxes, paying employer taxes and burdens, billing the funding source, managing the budget, and safely storing and maintaining employee records and certifications as applicable.

Who is Acumen Fiscal Agent?

Acumen is one of the most established and financially stable fiscal agent service providers in the country. Founded in 1995 in Utah, we now provide services across the country and provide payroll for over 43,000 employees. Acumen offers diverse and tailored fiscal management services to individuals receiving support services. We manage and support the employer of record in fulfilling their employer responsibilities. Within program and funding source guidelines, you now have more decision making on how and when to use your service dollars, how many employees you can hire, scheduling and managing the hours they work.

Acumen will be working with you to manage and complete the complex financial and administrative pieces of the employer responsibilities, thus freeing your time to attend to your many other obligations including ensuring your loved one receives the care they deserve and need.

Employer of Record Responsibilities

You, as the Employer, are responsible for the following:

- Completing and submitting required employer enrollment paperwork (assisted by Acumen and/or your Family Support Coordinator)
- Finding prospective employees
- Submitting employee enrollment paperwork
- Hiring, firing, scheduling, training employees
- Supervising employees
- Deciding employee pay rates (within program limitations)
- Providing a safe work environment
- Reviewing and approving time submissions
- Providing time submissions to Acumen on time
- Reviewing account statements from Acumen to ensure accuracy
- Keeping track of and staying within the allowed budget with the support of your Family Support Coordinator
- Keeping employee records and maintaining confidentiality
- Notifying Acumen when the individual is in the hospital, a facility or incarcerated
- Following all program and Medicaid rules

Why Choose Self-Direction with Employer Authority?

- Participants remain in their home and live in their community
- Hire the employees you want and who you trust
- · Hire the number of employees you need
- Schedule employees the hours that work for you and the Participant
- Pay your employees a competitive wage within program guidelines
- Be more creative with customized support services that meet the needs of the Participant
- Increased control and decision making powers: You have ultimate control, you are the boss
- You are not limited by your zip code, you can access your friends and depending on program guidelines family
- Happier employees. Employees have more flexibility, choice and creativity when providing care

How does Acumen help me fulfill my responsibilities?

In addition to processing and paying payroll for your employees, Acumen provides the following services.

Employer and Employee Enrollment

The Acumen will assist and guide the employer and employee with the completion employee enrollment paperwork. Filing employer paperwork with the appropriate agencies and submitting the request for the employer of record Employer Identification Number (EIN).

Accounting and Reporting

Once Acumen receives the approved Service Authorization/Budget, we will ensure there are no discrepancies that would prevent payment requests from being processed through the program. Each Service Authorization/Budget is downloaded into our accounting system so we may begin processing payments and tracking spending.

Acumen provides employers with a monthly account statement that will shows account activity. This account information can also be accessed at any time by running any of the many reports that are available in our Direct Care Innovations (DCI) web based system. Having access to these tools will provides all the information needed to make budgeting decisions. You may decide to pay your employees more or less, or have your employees work more or less depending on how you decide to tailor the support for the needs of the participant and requirements of the program.

Payroll and Employee Taxes

All employees must pay Medicare, Social Security, as well as federal, state and local income tax, unless they are exempt from doing so. Acumen will collect the necessary forms from employees during enrollment and then deduct these taxes properly from their paychecks.

End of Year Tax Reporting (W-2s)

Another employer responsibility that Acumen will handle on the employer's behalf is preparing and sending W-2s to employees. These tax documents are a record of the money that was paid to employees throughout the year, and are necessary when filing their personal income taxes. Employees will typically have their W-2s processed and sent out during the last week in January each year, but no later than January 31st.

Employer Taxes and Burdens

All employers are required to contribute to Medicare, Federal Unemployment (FUTA), Social Security, State Unemployment (SUTA), and Workers' Compensation.

On the employer's behalf, Acumen will calculate required tax amounts, deduct the funds from the Service Authorization/Budget, forward the money to the Workers' Compensation insurance company and the appropriate tax authority. We will also file employer-related taxes at tax season. Please understand that employer tax is not the same as the employer's personal income tax. Employers will be responsible for filing their own personal income tax.

Workers' Compensation

Workers' Compensation is a form of insurance that is required from employers and it provides compensation and medical care coverage for workers who are injured on the job or contract an occupational disease. Acumen will be the point of contact for Workers' Compensation claims.

Disclaimer

The information contained in the "Acumen Beginning Self-Direction Employer Guide" is for general informational purposes. While we endeavor to keep the information provided in this guide up-to-date and correct upon its issuance, we make no representations or warranties of any kind, express or implied, about the completeness, accuracy, reliability or suitability with respect to the employer's responsibilities and obligations. It is your responsibility, as the employer, to understand your responsibilities and obligations.

The employer will be responsible for complying with all applicable federal, state and local laws and regulations including (but not limited to): HIPAA, OSHA, EEO, FLSA, Wage and Hour laws and CMS (Medicaid) laws and regulations. Any recommendations in this guide or other guides concerning these laws are provided as a courtesy by Acumen. Any reliance you place on such information is therefore strictly at your own risk.

You agree Acumen shall not, in any event, be liable for any direct, indirect, punitive, special, incidental, or consequential damages arising out of or in any way connected with the use of this guide.

This guide may also contain recommended websites that further address employer issues and responsibilities. Acumen has no control over the nature, content and availability of those sites. The inclusion of any links does not necessarily imply a recommendation or endorsement of the views expressed within them.



We look forward to providing you with Fiscal Agent services that you deserve.



If you are interested in learning more about Self-Direction with Employer Authority, please contact: Andrew Coleman by emailing andrewc@acumen2.net